



Co-operative Republic of Guyana
Rural Enterprise and Agricultural Development Project (READ)
Project Performance Evaluation
Approach Paper

September 2017

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I. Introduction

1. In line with the International Fund for Agriculture Development (IFAD) Evaluation Policy and as approved by the 119th Session of the IFAD Executive Board, the Independent Office of Evaluation (IOE) will undertake a project performance evaluation (PPE) of the IFAD-financed Rural Enterprise and Agricultural Development (READ) in Guyana. A project performance evaluation is a project evaluation with a limited scope and resources. It is based on the Project Completion Report Validation (PCRV) if available, with a more complete analysis based on additional information and data collection by IOE at the country level through a short mission. The main objectives of PPE are to: (i) assess the results of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work.
2. This Approach Paper is the point of departure in the preparation of the PPE. It presents the overall design of the PPE and contains a summary of the project being evaluated. Further, the paper outlines the evaluation objectives, methodology, process and timeframe of the PPE.

II. Overview of the Program

3. National context. The United Nations Development Programme (UNDP) indicates that the proportion of households living in moderate poverty (on US\$ 2 daily) is 36.3 per cent and in extreme poverty is 19.1 per cent. The proportion of poor households headed by women is similar to that of non-poor households, suggesting that female headship is not necessarily a cause of poverty. There is a high incidence of poverty in the rural areas, largely due to their isolation and related logistical problems. Agriculture is the most important productive sector of Guyana's economy, accounting for approximately 32% of GDP, 30% of employment, and 40% of export earnings. However, there are a lack of income earning opportunities in agriculture for the poor, particularly due to weak linkages with markets and low levels of private sector activity in rural areas. There are also severe constraints to enterprise development as rural residents are unable to access finance, market information and assistance in planning and managing enterprises.
4. Project goal and objectives. The overarching goal of the READ project was to improve the living conditions of poor rural households, especially small-scale producers and vulnerable groups, by strengthening their human, social and financial assets. Its specific objectives were to: i) increase the market opportunities available to small rural producers (including women); ii) increase rural people's capacity to produce and market non-traditional products efficiently and effectively and to develop small-scale enterprises; iii) strengthen rural services available to small producers; iv) increase access to financial and other capital services; and, v) build human and social capacity at the community level.

5. Project area. The project was implemented in Regions 2, 3, 4, 5, 6 and 10.¹ The criteria for selecting the regions as a part of the project area were: (i) more than 5% of the total population should reside in the region; (ii) the poverty gap should be at least more than 10%; and (iii) the selected region should have potential for non-traditional agricultural production, microenterprise development and market access. An additional criterion was included in terms of the presence of Amerindian communities.
6. Project target. The target population consisted of poor or extremely poor men and women non-traditional farmers devoted to smallholding agriculture, either of subsistence or market-oriented production; wage labourers and poor or extremely poor rural men and women micro and small entrepreneurs, particularly women-headed households, youth and Amerindian communities. Thus, of the 28 000 households in the project area, a total of 5 200 households were targeted by the project; of these, 4 660 were men-headed households and 540 were women-headed households.
7. Project components. The Project comprised the following three components: (1) Market and Rural Enterprise Development. Market development included identifying potential markets, evaluating the market relative to other alternative markets and producer capacities, building market information systems and assisting producers to successfully and sustainably sell their goods in different markets. Enterprise development included increasing productivity and value adding through supporting skills development for establishment of certain economically viable agricultural and non-agricultural based enterprises, facilitating access to credit, training in business management and entrepreneurship. (2) Human and Social Capital Strengthening. This focused on developing human and social capabilities for the empowerment of men and women members of selected rural organizations in the project area. Thus, the emphasis was on strengthening the rural organizations' structure, support networks, organizational values and relationships. The second focus was on equitable development and promoted increased participation in decision making and access to benefits, both from service providers and from the outcomes of enterprise development. 3) Project Coordination. This involved financial support to the project management unit for coordination related expenditure of the project.
8. Project costs and financing. The total cost of the project at approval was USD 6.93 million. It was financed by IFAD through a loan and grant (50% each) of USD 5.76 million, a contribution by the Government of USD 0.86 million through taxes paid or foregone, and by project beneficiaries who would contribute an estimated USD 0.32 million through matching grant schemes in relation to the rural financing facility. At completion, the project had disbursed 83% of the costs envisaged at appraisal. The first component was the highest funded component and the only component whose actual cost exceeded its cost at appraisal (107%); the second and third components utilised between 60% and 70% of the funds envisaged at appraisal.

Summary of approved and actual programme costs, by project component (in million USD)

Project Component	Appraisal				Actual			
	IFAD	Govt	Beneficiaries	Total	IFAD	Govt	Beneficiaries	Total
Market/Enterprise Development	2.39	0.30	0.20	2.90	3.0 (125%)	0.08 (27%)	0.02 (8%)	3.10 (107%)

¹ Guyana is divided into ten administrative regions, as follows: Region 1 - Barima Waini; Region 2 - Pomeroon-Supenaam; Region 3 - Essequibo Islands-West Demerara; Region 4 - Demerara- Mahaica; Region 5 Mahaica-Berbice; Region 6 - East Berbice – Corentyne; Region 7 - Cuyuni-Mazaruni, Region 8 - Potaro-Siparuni; Region 9 - Upper Takutu- Upper Essequibo; Region 10 - Upper Demerara-Upper Berbice.

Orgn. & Human Development	2.03	0.30	0.12	2.45	1.47 (72%)	0.12 (41%)	0.06 (54%)	1.65 (68%)
Project Coordination	1.33	0.25	Not applicable	1.59	0.91 (68%)	0.09 (36%)	Not applicable	1.00 (63%)
Total	5.76	0.86	0.32	6.93	5.37 (93%)	0.30 (35%)	0.08 (25%)	5.75 (83%)

Note: i) The figures in brackets denote actual costs expended as a percentage of appraisal costs; ii) Figures are rounded to nearest million.

9. Time frame. The IFAD Executive Board approved the loan towards the project in December 2007 and the loan became effective in August 2008. The project, though, came into force in January 2009, and completed in March 2015 running for a period of six years.
10. Implementation arrangements. The project was implemented by the Agricultural Sector Development Unit (ASDU) in the Ministry of Agriculture. An officer within the ASDU was selected as the Project Coordinator and was responsible for coordinating the day to day operations of the project. Each region had Regional Project Officers who were responsible for working with the Project Coordinator and the technical specialists to implement the project in the areas as defined by their regional responsibilities. During implementation, the project's most important partner was the New Guyana Marketing Corporation (NGMC) which provided guidance to the project's Regional Area and Local Area Technicians. The project also worked in partnerships with organizations such as IDB, USAID, CIDA, IICA, IICA/RWN, Women's Affairs Bureau (WAB), and Young Women's Christian Association (YWCA) and through Business Facilitation Centres (BFCs) to promote group development among the rural community and foster business partnerships along the supply chain.
11. Significant changes during project implementation. The BFCs as originally envisioned were modified in that their functions were integrated into the National Agriculture Research and Extension Institute (NAREI) offices. This was done to increase the geographic spread of the project (NAREI offices were more widespread) and to ensure sustainability of services after project closure. In a few other cases it was decided to empower individual Community-based Organizations with the business facilitation function, for instance, the Sheep & Goat Farmers Association and the Women's Agro processing Development Group, both of which have national networks.

III. Evaluation objectives and scope

12. The objectives of the PPE are to: (i) assess the results and effectiveness of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in Guyana; and (iii) by virtue of conducting an in-depth assessment, provide a deeper understanding of one of the IFAD's operations in Guyana.
13. The scope of the PPE has been identified based on the following criteria: (i) areas identified through a desk review – the PPE will review additional evidence and propose a complete list of consolidated ratings; (ii) selected issues of strategic importance for IFAD in Guyana; and (iii) limitations set by the available time and budget – the PPE will have to be selective in focussing on key issues where value can be added, given the limited time and budget.
14. Analysis in the PPE will be assisted by a review of the theory of change (TOC) developed at project design stage in order to assess the extent to which the project's objectives were achieved (see Annex 1 for a draft TOC). The TOC shows the causal pathway from project outputs to project impacts and will also depict changes that should take place in the intermediary stage i.e. between project outcomes and impact. External factors which influence change along the major

impact pathways i.e. assumptions on which the project has no control are also taken into account. It is likely that during the course of project implementation, some outputs or even whole components might have been cancelled or added to respond to changes. The TOC at evaluation will reflect these changes in consultation with project stakeholders during the in-country visit, and in this case, will be termed as a reconstructed TOC.

15. The PPE exercise will be undertaken in accordance with IFAD's Evaluation Policy⁴ and the IFAD Evaluation Manual (second edition, 2015). The following paragraphs provide an overview of the key issues and questions that will be addressed by the PPE. In line with the second edition of IOE's Evaluation Manual (2015), the key evaluation criteria applied in PPEs include the following:
 - (i) Relevance, which is assessed both in terms of alignment of project objectives with country and IFAD policies for agriculture and rural development and the needs of the rural poor, as well as project design features geared to the achievement of project objectives. The PPE will assess to what extent did the project design help achieve a tangible impact on the livelihoods of the poor and empowerment of local communities.
 - (ii) Effectiveness, which measures the extent to which the project's immediate objectives were achieved, or are expected to be achieved, taking into account their relative importance. The PPE will review the existing evidence base, including the data collected by the M&E system and supervision reports, to establish the results achieved by the project and conduct further analysis on which parts of the project have been more effective and how and why project activities have achieved the intended results.
 - (iii) Efficiency, which indicates how economically resources/inputs (e.g. funds, expertise, time, etc.) are converted into results. The PPE will examine the process and system that underpinned the disbursement of funds, as part of the financial management weaknesses identified in the Project Completion Report (PCR). It will also assess whether the physical and financial resources were adequate for successful execution of project activities.
 - (iv) Rural poverty impact, which is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions. Four impact domains are employed to generate a composite indication of rural poverty impact: (i) household income and assets; (ii) human and social capital and empowerment; (iii) food security and agricultural productivity; and (iv) institutions and policies. A composite rating will be provided for the criterion of "rural poverty impact" but not for each of the impact domains. The PPE will review the conclusions and the plausibility of the narrative of the various reports through the evidence provided and combine this with additional evidence from the field.
 - (v) Sustainability of benefits, indicating the likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life. The PPE will visit some of the project sites to verify the current situation with regards to the sustainability of benefits.
 - (vi) Gender equality and women's empowerment, indicating the extent to which IFAD's interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and

ownership of assets, resources and services; participation in decision making, work-life balance and impact on women's incomes, nutrition and livelihoods. The PPE will examine the role of rural enterprises in contributing to gender equality and empowerment.

- (vii) Innovation and scaling up, assessing the extent to which IFAD development interventions: (a) have introduced innovative approaches to rural poverty reduction; and (b) have been scaled up by government authorities, donor organizations, the private sector and other agencies.
- (viii) Environment and natural resource management, assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resource and the environment. The PPE will examine this criterion with regard to the new agricultural practices and technologies that were proposed and implemented as part of project interventions.
- (ix) Adaptation to climate change, The PPE will consider the documented threat of climate change in the country and project areas (if possible) and assess the contribution of the project to increase climate resilience and increase beneficiaries' capacity to manage short- and long-term climate risks.
- (x) Overall project achievement provides an overarching assessment of the intervention, drawing upon the analysis and ratings for all above-mentioned criteria.
- (xi) Performance of partners, including the performance of IFAD and the Government, is assessed on an individual basis, with a view to the partners' expected role and responsibility in the project life cycle. The PPE will assess IFAD's performance in terms of *inter alia* supervision and disbursement responsibilities. It will also examine the role of government in undertaking the responsibilities towards project management and implementation.

IV. Key Issues for this PPE.

- 16. Project design and implementation: The PCR highlights the project's design complexity (at least 25 sub-components) and implementation challenges such as large geographic scope, demographic diversity, relatively low implementation capacity at project onset as well as other challenges such as high turnover and weak project governance. The PPE will also assess the coordination and implementation capacity and quality of the project unit given the demand of the government on the Ministry of Agriculture to oversee numerous projects simultaneously by establishing a centralised coordination unit for all donor projects, i.e. the Agricultural Sector Development Unit. The PPE will investigate what bearing these aspects had on overall project performance and specifically on its efficiency and effectiveness.
- 17. Connectivity of project components. The Project Design Report (PDR) outlines that the success of the project depended on each of its two components connecting effectively with each other. The PPE will examine whether the project benefited from the synergies derived from effectively managing the complementarities between them.
- 18. Innovative Implementation Arrangements. The implementation structure and delivery mechanisms employed in the project are represented as innovative in that the CBOs were involved at a relatively early stage and then regular collaboration with them was undertaken through NGOs. Through interviews with beneficiaries and concerned project partners, the PPE will investigate if this approach was indeed

innovative, and whether or not it led to better delivery in terms of timeliness and quality of delivery, and to empowerment of beneficiaries.

19. Rural enterprise development. This was an important aspect of the project, to be attained via business development services imparted by service providers. The PPE will explore issues such as, types of service provided (for e.g. training) and its effectiveness as perceived by the beneficiaries, who were the providers i.e. public or private and how were they selected. In addition, the PPE will also assess the type of support services for enterprise development encouraged and adopted i.e. complete product diversification or value-addition for the same product and a comparison of the effectiveness of each approach.
20. Targeting: The PDR mentions that the project aimed to target several vulnerable groups such as women-headed households, youth and indigenous communities (Amerindians). In light of IFAD's past experience in Guyana with targeting (as highlighted in the PDR), this PPE will examine whether, and how, the needs assessment of these vulnerable groups was carried out especially with regards to the component on human and social capital strengthening. This component also directly relates to one of the criteria under the rural poverty impact domain of this evaluation.
21. Sustainability. The PPE will assess the sustainability of the project with regard to the empowerment of rural organizations supported by the project and the private sector linkages created by the project.

V. Analytical framework and methodology

22. Information and data collection. The first phase of the PPE is the desk review which will cover a variety of project-related documents, including annual project status reports (along with Project Supervision Ratings), mid- term reviews (MTR), supervision reports, and the PCR prepared at the end of a project jointly with the government, which also includes a set of ratings. The Results and Impact Management System (RIMS) includes a menu of indicators used to measure and report on the performance of IFAD projects – at activity, output and impact level – and these are used for effectiveness and impact criteria. In this regard, M&E data become crucial. M&E data are also needed to plan the mission's visits to project areas, for instance, data on what kind of activities were carried out in different areas, what were the results, etc. However, M&E is highlighted as one of the shortcomings of the project – for instance there is no project impact evaluation study. This will have a bearing on some of the IOE evaluation criteria, and specifically on effectiveness and impact.
23. The PPE will crosscheck findings from the PCR and triangulate data and information from different sources. in order to obtain further information, interviews will be conducted both at IFAD headquarters and in the country. During the in-country work, additional primary and secondary data will be collected in order to reach an independent assessment of performance and results. Data collection methods will mostly include qualitative techniques. The methods deployed will consist of individual and group interviews with project stakeholders, beneficiaries and other key informants and resource persons, and direct observations.
24. The theory of change annexed in this paper has highlighted assumptions that would have been crucial to attaining the desired outputs and outcomes. The PPE will investigate whether these assumptions held, and if not, then what were the impeding factors. This will help the evaluation answer the "why" underpinning the results.
25. Sampling: The mission will attempt to visit all six regions under the project area. The sample size of beneficiaries visited in each region will be based on the number of beneficiary groups (CBOs) in each region i.e. based on weighting. In addition,

some of the project demo plots in each region and individual beneficiaries of some interventions such as scholarship recipients will also be visited.

26. Rating system. In line with the practice adopted in many other international financial institutions and UN organizations, IOE uses a six-point rating system to score the project performance on a set of standard criteria², where 6 is the highest score ("highly satisfactory") and 1 is the lowest ("highly unsatisfactory").
27. Stakeholders' participation. In compliance with the IOE Evaluation Policy, the main project stakeholders will be involved throughout the PPE. This will ensure that the key concerns of the stakeholders are taken into account, that the evaluators fully understand the context in which the programme was implemented, and that opportunities and constraints faced by the implementing institutions are identified. Regular interaction and communication will be established with IFAD and the Government. Formal and informal opportunities will be explored during the process for the purpose of discussing findings, lessons and recommendations. Given that the project unit was disbanded after project completion, seeking key persons could be a challenge; however, this can be circumvented through early planning and involving the assistance of the country counterparts to organise meetings. In this regard, the assistance of government staff involved with the project (project manager) and the IFAD liaison person in Georgetown will be elicited.

VI. Process and timeline

28. Following a desk review of the PCR and other project key project documents, the PPE will undertake following steps:
 - Country work. The PPE mission is tentatively scheduled for October 2017. It will interact with representatives from the government and other institutions, beneficiaries and key informants, in Georgetown and in the field. At the end of the mission, a wrap-up meeting will be held in Georgetown to summarize the preliminary findings and discuss key strategic and operational issues. The IFAD country programme manager for Guyana is expected to participate in the wrap-up meeting.
 - Report drafting and peer review. After the field visit, a draft PPE report will be prepared and submitted to IOE internal peer review for quality assurance.
 - Comments by regional division and the Government. The draft PPE report will be shared simultaneously with the Latin America and the Caribbean Division (LAC) and the Government for review and comments. IOE will finalize the report following receipt of comments by LAC and the Government and prepare the audit trail.
 - Management response by LAC. A written management response on the final PPE report will be prepared by the Programme Management Department. This will be included in the PPE report, when published.
 - Communication and dissemination. The final report will be disseminated among key stakeholders and the evaluation report published by IOE, both online and in print.
29. Tentative timetable for the PPE process is as follows:

Date	Activities
September 2017	Desk review and preparation of approach paper
1 – 15 October 2017	Mission to Guyana (tentative dates)
16–29 October 2017	Preparation of draft PPE report

² These include: relevance, effectiveness, efficiency, rural poverty impact, women's empowerment and gender equality, sustainability, innovation, scaling up, environment and natural resource management, adaptation to climate change, IFAD and government performance and overall project performance.

30 October 2017	Report sent for IOE internal peer review
13 November 2017	Draft PPE report sent to LAC and Government for comments
4 December 2018	Comments received from LAC and government
18 December 2018	Final report and audit trail sent for IFAD management response
February 2018	Publication and dissemination

VII. Evaluation Team

30. The team will consist of Mr Hansdeep Khaira, IOE Evaluation Officer and lead evaluator for this PPE, and Mr. Andrew Jacque, IOE senior consultant. Ms Delphine Bureau, IOE Evaluation Administrative Assistant, will provide administrative support.

VIII. Background Documents

31. The key background documents for the exercise will include the following:

Project specific documents

- IFAD President's Report (2007)
- Appraisal Report (2007)
- Medium Term Report (2012)
- Supervision Mission Aide Memoire and Reports (2009-2014)
- Project completion report (2015)

General and others

- IFAD (2011). IFAD Evaluation Policy.
- IOE (2012). Guidelines for the Project Completion Report Validation (PCRV) and Project Performance Assessment.
- IFAD (2015). Evaluation Manual – Second Edition
- Various IFAD Policies and Strategies, in particular, Strategic Framework (2002-2006), Rural Finance, Rural Enterprise, Targeting, Gender Equity and Women's Empowerment

Annex 1: READ's Theory of change

Increased and sustained socio-economic development of beneficiaries

Note: Assumptions are in shaded boxes

